(b) Does not arise;

(c) This legal issue had been settled by decisions of the Bombay High Court, and the decisions have been accepted by the Government. Government will examine further a recent decision reported to have been given by the Bombay High Court on this matter.

Malpractices in Money colections for Teak Wood Plantation

956. SHRI JOHN F. FERNANDES: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that certain companies collected crores of rupees from the share holders in the name of desert gold plantation of teak trees without the companies holding any land for the purpose;

(b) if so, whether these cultivation companies are controlled by S.E.B.I.; and

(c) if not, what action is contemplated to safeguard the share holders, interests and penalised such fraudulant companies from cheating the public?

THE MINISTER OF THE STATE IN THE MINISTRY OF FINANCE AND MINITER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) Yes, Sir.

(b) No, Sir. The matter is outside SEBI's direct jurisdiction.

(c) On being concerned with these developments, Securities and Exchange Board of India (SEBI) made a suo moto reference to the Department of Company Affairs inviting their attention and requesting them to take possible action. However, the Department of Company Affairs considered that raising of money for such schemes by companies can neither be considered a loan or deposit attracting the provisions of the Companies Act and onsequently the Department made a reference to the Monopolies and Restrictive Trade Practices Commission (MRTPC). The MRTPC have reported that investigation is in progress on alleged false claims and mispresentations.

SEBI is also examining whether the certificate issued by these companies may fall under the definition of 'securities' under section 2(h) of the Securities Contract (Regulations) Act and if so whether SEBI could issue guidelines under section 11 of the SEBI Act for protecting the interest of investors.

Creation of Market Stabilising fund for cigarette

957. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Minister of Commerce had suggested to the Ministry of Finance for imposing 1 percent levy on the sales of cigarettes and to create the same as market stablising fund; and

(b) if so, when and what steps have been taken by Ministry of Finance in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) The suggestion is being looked into.

Rise in the prices of essential commodities

958. SHRI RAM NARESH YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made any study of the new fiscal policies after their implementation;

(b) whether it is a fact that prices have increased enormously during the last two years following the implementation of these policies;

(c) if so, what is the percentage of increase in the prices of common consumer commodities (soaps, fruits) during the last two years; and

(d) what steps have been taken by Government to bring down the prices of these commodities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) The fiscal policies of the Government are under constant review. Necessary changes in policy measures are made from time to time keeping in view the emerging situation. Government have also recently brought out a Discussion Paper on "Economic Reforms"; Two years after and the Task ahead". The paper inter-alia gives the rationale of the progress of economic reforms undertaken over the past two years and the broad results achieved thereunder.

(b) No, Sir, the price rise witnessed during 1991-92 and the first half of 1992-93 has now been substantially arrested with the latest rate of inflation as on 17th July, 1993 having dropped to 5.5 per cent as compared to 11.9 per cent on the corresponding date last year.

(c) There was only 3.8 per cent increase in the prices of 31 essential commodities—including fruits and soap. Prices of 15 items have actually shown an absolute decline during the last year.

(d) Government have taken the following steps to check the price rise:

— Strict control of fiscal deficit.

— Liberalised trade policy and reduction in tariffs, especially in basic raw materials so as to reduce input costs.

— Supply management through augmentation of PDS supplies and import of essential commodities whenever necessary.

— tight monetary policy.

Exchange rates of rupee

959. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) what is the policy reating to exchange rates of rupee with various currencies;

(b) what is the official and ruling exchange rate with that of rouble; and

(c) on what consideration it is fixed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) Under the unified exchange rate system instituted on 1st March 1993, the exchange rate of rupee is determined in the market and the movement in the rupee's external value are the result of the interaction of forcs of dmand and supply as generated by the country's trade flows. The Reserve Bank at its discretion may enter the market to purchase or sell foreign exchange and thus smoothen erratic fluctuations in the exchange rate.

(b) and (c) At present there is no official and ruling exchange rate between the rupee and the rouble. Earlier under the rupee payments system between India and the USSR a rupee rouble exchange rate mechanism was established by the 1978 Protocol. After the dissolution of the USSR, a fresh trade and payments agreement was concluded with Russia in May 1992 providing for trade in fully convertible currencies.

India's rouble-denominated debt to the former USSR has now been converted into rupees as per the Jan. 1993 Agreement and the rupee-rouble exchange rate as established by the 1978 Protocol is noblongrbrel exantrance rate as of a scope by the.

स्टेट बैंक आफ इंदौर के संबंध में संसद सदस्यों का अभ्यावेदन

960. **श्री राम नरेश यादव** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) सरकार को जनवरी 92 से आज तक "स्टेट बैंक आफ इन्दौर" के बारे में माननीय संसद सदस्यों से कुल कितने पत्र प्राप्त हुये हैं और उन संसद सदस्यों के नाम क्या हैं जिन्होंने यह पत्र लिखे थे, तथा उनकी क्या मांगें थीं ;